

A LEGAL REVIEW OF GOVERNMENT REGULATION NO. 34 OF 2019 ON BORDER TRADE IN RELATION TO LEGAL PROTECTION FOR INDONESIA'S BORDER COMMUNITIES

Irma Rachmawati Maruf
Universitas Pasundan, Bandung
irma.rachmawati@unpas.ac.id

Karman
Universitas Sultan Muhammad Syafiuddin Sambas

ABSTRACT

Indonesia's border regions require clear legal regulations to ensure certainty and protection for the communities living in these areas. This study aims to critically analyse Government Regulation No. 34 of 2019 on Border Trade in the context of legal protection for Indonesia's border communities. The research method employs a normative legal approach, utilising legislative and conceptual analyses. The findings indicate that Government Regulation No. 34 of 2019 has provided a comprehensive regulatory framework establishing the legal subjects, locations, administrative requirements, types of goods, and transaction values for border trade. This regulation provides preventive legal protection by affirming the rights of border communities to engage in trade, establishing official border crossing routes, and regulating immigration and customs documentation—which are prerequisites for the legality of economic activities. However, the effectiveness of this legal protection remains limited, as the implementation of the regulation on the ground faces challenges such as inter-agency coordination issues, resource constraints, and poor public access to public services. This study recommends the need for a holistic and synergistic approach involving central and local governments, the enhancement of border infrastructure capacity, legal awareness programmes for the community, and a shift in policy orientation from security to the fulfilment of constitutional rights and the welfare of border communities.

Keywords: border trade, legal protection, border communities, Government Regulation No. 34 of 2019, border law.

Introduction

Indonesia's border regions hold a strategic position as gateways for international trade and as national defence zones. Similarly, these border regions serve as living spaces for millions of people residing along the country's borders. However, the socio-economic reality in these areas still reveals a high level of disparity compared to other domestic regions (National Development Planning Agency, 2023). Border communities face various structural challenges that hinder their access to basic services, infrastructure and equal economic opportunities.

Border trade is a key instrument in driving economic development in frontier regions. Cross-border trade enables border communities to meet their daily needs at

more affordable prices. Furthermore, border trade also opens up opportunities for local economic development through the utilisation of regional resource potential. However, these trade activities require clear legal frameworks to ensure certainty and fairness for all parties involved. The absence of comprehensive regulations on border trade often leads to unregulated trade practices that may potentially breach the law. Cross-border trade practices that do not go through official channels pose risks to national security and the economy. Violations of trade regulations can result in legal sanctions that have a negative impact on border communities who are, in fact, merely seeking to meet their basic needs (Ministry of Law and Human Rights, 2022).

The government's response to this issue is embodied in Government Regulation No. 34 of 2019 on Border Trade. This regulation is a legal instrument that specifically governs the mechanisms of cross-border trade in Indonesia's border regions. Government Regulation No. 34 of 2019 supersedes previous regulations and provides a more comprehensive legal framework for border trade activities (Ministry of Trade, 2019). The primary objective of this regulation is to promote economic development in border regions whilst safeguarding national interests.

The provisions in Government Regulation No. 34 of 2019 cover various important aspects of border trade. This regulation defines the subjects and objects of trade, the mechanisms for cross-border trade, and the roles of the central and regional governments. Furthermore, the regulation sets out provisions regarding goods that may and may not be traded, as well as the permitted transaction values. These provisions are designed to create orderly and transparent trade whilst protecting border communities from harmful trade practices (Ministry of Trade, 2019).

Border communities, as legal subjects under these regulations, require adequate protection from the government. Legal protection for border communities encompasses the aspects of legal certainty, justice and benefit in their economic activities. Without clear legal protection, border communities are vulnerable to exploitation by large businesses and to uncertainty in their day-to-day trading activities (Syandika et al., 2025). Legal protection must also include dispute resolution mechanisms and sanctions for violations committed by other parties. The ideal form of legal protection for border communities must fulfil three main aspects: preventative, repressive and rehabilitative. Preventative protection aims to prevent legal violations through clear and transparent regulations. Repressive protection provides mechanisms for addressing legal violations when they occur, whilst rehabilitative protection aims to restore the conditions of communities affected by such violations. These three aspects must be integrated into border trade regulations to provide comprehensive protection.

The implementation of Government Regulation No. 34 of 2019 on the ground has revealed various challenges that need to be addressed. Structural barriers, such as limited infrastructure and border post facilities, remain a major issue in various border regions. Access to information regarding trade regulations is also still limited, meaning

that the public does not understand the applicable procedures and regulations (National Border Agency, 2023). The gap between regulation and actual implementation raises questions about the effectiveness of the legal protection guaranteed by this regulation.

The urgency of this research stems from the gap between the objectives of the regulations and the reality of their implementation on the ground. Although Government Regulation No. 34 of 2019 was designed to protect border communities, empirical evidence suggests that such protection has not yet been optimal. Border communities still face various obstacles in accessing their economic rights and remain vulnerable to legal violations. This research is important for identifying gaps in legal protection and providing recommendations for regulatory improvements.

Research Methodology

The research method employed in this study is a literature review. A normative legal approach is the appropriate method for analysing Government Regulation No. 34 of 2019 in the context of legal protection. This approach allows for an in-depth analysis of the regulatory provisions and their alignment with applicable principles of legal protection. Conceptual analysis is also required to understand the position of border communities within the national legal system and the rights to which they are entitled (Walliman & Walliman, 2021); (Eliyah & Aslan, 2025) . This combination of approaches will provide a comprehensive picture of the effectiveness of legal protection under the regulation.

Result and Discussion

Regulation of Cross-Border Trade in Government Regulation No. 34 of 2019

Government Regulation No. 34 of 2019 on Border Trade is a subsidiary regulation that sets out operational provisions for the implementation of Article 56(4) of Law No. 7 of 2014 on Trade [Indonesia, 2019]. This regulation addresses the need to regulate border trade activities, which have hitherto taken place informally and lacked a strong legal basis, despite being of vital importance to communities living in border areas [National Legal Preservation Agency, 2019]. The primary objectives of this regulation are to prioritise national interests, provide legal certainty, and ensure fairness in cross-border trade activities [Ministry of Trade, 2019].

The legal subjects covered by Government Regulation No. 34 of 2019 are all Indonesian citizens residing in areas of the Unitary State of the Republic of Indonesia that share a direct border with another country [National Law Preservation Agency, 2019]. These individuals may engage in cross-border trade with residents of neighbouring countries living in border areas, whether at land or sea borders [Indonesia, 2019]. These provisions clarify the rights of traders residing in border areas and provide a clear legal framework for their trading activities [National Law

Preservation Agency, 2019]. The objects of cross-border trade include types of goods that may be purchased, subject to specific conditions set out in the regulations [Indonesia, 2019].

Border trade activities may only be conducted in areas designated as land and maritime border zones in accordance with government regulations [National Law Preservation Agency, 2019]. These location restrictions are important to ensure that trade proceeds in an orderly manner and can be monitored by the relevant authorities [Indonesia, 2019]. Designated border areas must meet certain criteria in accordance with the master plan for the management of the country's border areas (Themistocleous et al., 2023) . These provisions prevent uncontrolled trade practices from spreading across various locations, which could potentially breach the law.

The administrative requirements for participants in cross-border trade include cross-border immigration documents and cross-border customs documents as mandatory requirements. Cross-border immigration documents ensure that traders have a valid identity and the right to cross national borders [National Law Preservation Agency, 2019]. Cross-border customs documents guarantee that the goods being traded comply with customs regulations and can be monitored by the tax authorities [Indonesia, 2019]. These two documents are fundamental prerequisites for the legality of cross-border trade activities.

The mechanisms governing cross-border trade set out the procedures that citizens must follow when conducting transactions [Indonesia, 2014]. These procedures include registering as a cross-border trader, applying for border-crossing documents, and reporting trade transactions. These mechanisms are designed to ensure transparency and accountability in cross-border trade activities [Indonesia, 2019]. The types of goods that may be purchased as part of cross-border trade are limited to specific items set out in government regulations [Indonesia, 2019]. This provision restricts the goods that may be traded to prevent the trade of hazardous goods or goods prohibited by national and international law [Indonesia, 2014]. Permitted goods generally include basic necessities, everyday consumer goods, and goods that support the economic activities of border communities [Ministry of Trade, 2019]. Restrictions on the types of goods also aim to protect domestic industries from unfair competition.

The value of cross-border trade transactions is set with a maximum limit per month or per voyage, depending on whether the border is land or sea-based (LAY & WAHYONO, 2018) . For Indonesia's border trade with Malaysia via land borders, the transaction value is capped at MYR 600 per month per person, whilst for sea borders it is MYR 600 per voyage per person (Patiung & Taus, 2022). These transaction limits are tailored to the economic capacity of border communities and aim to prevent large-scale trade that could threaten domestic industries [Indonesia, 2019]. Transaction limits also facilitate monitoring by the relevant authorities.

The central government's role in regulating border trade includes establishing national policies, defining border areas, and overseeing the implementation of regulations [Indonesia, 2019]. The central government is responsible for establishing implementing regulations and ensuring regulatory harmonisation among the various relevant agencies (Themistocleous et al., 2023). Local governments play a role in the operational implementation of border trade, including supervision at the local level and the provision of administrative services to traders [Indonesia, 2019]. This division of roles ensures that the regulation of border trade operates effectively from the national to the local level.

The legal basis for cross-border trade activities, in addition to Government Regulation No. 34 of 2019, also includes Articles 55 and 56 of Law No. 7 of 2014 on Trade (Nuban et al., 2024). These statutory provisions provide a higher legal basis for the regulation of cross-border trade within the national legal system [Indonesia, 2014]. Government Regulation No. 34 of 2019 constitutes the operational implementation of these statutory provisions, setting out the technical details of their implementation [Indonesia, 2019]. This hierarchical relationship between the law and government regulations ensures that border trade regulations have a strong legal basis.

Cross-border trade agreements between Indonesia and its neighbouring countries also serve as an important legal basis for the regulation of border trade (Nento et al., 2024). Existing agreements include the Indonesia–Malaysia agreement signed on 24 August 1970, the Indonesia–Philippines agreement on 8 August 1974, the Indonesia–Papua New Guinea agreement on 11 April 1990, and the Indonesia–Timor-Leste agreement on 11 June 2003 (Nuban et al., 2024). These international agreements regulate bilateral aspects of border trade, including transaction values and the types of goods permitted [Indonesia, 2019]. Government Regulation No. 34 of 2019 must be consistent with the provisions of the established international agreements.

This Government Regulation came into force on the date of its promulgation, namely 6 May 2019, and mandates that it be recorded and published in the Official Gazette of the Republic of Indonesia [Ministry of Trade, 2019]. As the regulation contains no transitional provisions, all new provisions apply in full from the date of promulgation [National Law Preservation Agency, 2019]. The fact that it came into full force upon promulgation demonstrates the government's commitment to promptly implementing a more orderly cross-border trade regime [Indonesia, 2019]. This provision also ensures there is no legal vacuum in cross-border trade activities once the new regulation comes into force.

Government Regulation No. 34 of 2019 provides a legal framework for more orderly cross-border trade and clarifies the rights of traders residing in border areas [National Law Preservation Agency, 2019]. This legal framework covers aspects such as the parties involved, the subject matter, location, administrative requirements, implementation mechanisms, types of goods, transaction values, and the role of the

government [Indonesia, 2019]. The comprehensiveness of these regulations demonstrates that they have been designed to cover various important aspects of border trade [Ministry of Trade, 2019]. With a clear legal framework, border trade activities can proceed in a more orderly manner and provide optimal benefits for border communities.

Legal Protection for Border Communities

Legal protection for border communities is a crucial aspect of border trade management, as those living in border areas are in a highly vulnerable position economically, administratively and socially. This vulnerability arises because they are directly confronted with differences in legal systems, limited state infrastructure, and a high dependence on cross-border goods traffic to meet their daily living needs. In this context, Government Regulation No. 34 of 2019 serves not only as an instrument for regulating trade but also as a normative basis to ensure that the economic activities of border communities take place within a legal framework that is orderly, secure and fair (Indonesia, 2019).

Conceptually, legal protection can be understood as the state's effort to guarantee the rights of its citizens through a framework of norms, institutions and law enforcement mechanisms. In border areas, legal protection cannot be interpreted merely as the presence of written rules, but must be realised in the form of recognition of rights, procedural certainty and access to adequate public services. Studies on Indonesia's border regions indicate that border residents frequently face rights violations, unclear administrative status and limited access to basic services; consequently, legal protection must be positioned as an instrument for fulfilling citizens' constitutional rights, rather than merely a tool of state control (Itasari, 2020).

Government Regulation No. 34 of 2019 essentially provides a form of preventative legal protection to border communities by clarifying the legal entities entitled to engage in border trade. This regulation stipulates that border trade may be conducted by Indonesian citizens residing in areas of the Unitary State of the Republic of Indonesia that share a direct border with another country, whether at land or sea borders. This clarification is important as it provides certainty regarding who is legally entitled to benefit from border trade facilities, whilst preventing abuse by external parties with no social or geographical ties to the area (Indonesia, 2019). Another form of preventative protection is evident in the regulations concerning the locations and official routes for border trade. Government Regulation No. 34 of 2019 stipulates that trade activities may only be carried out in designated border areas and through legitimate administrative mechanisms. Such regulations protect the public from the risk of criminalisation resulting from informal trade practices that take place outside established procedures, whilst positioning the state as the provider of legal certainty through official channels for the movement of people and goods. Within the legal

framework, the legality of locations and procedures forms the cornerstone enabling citizens to carry out economic activities without fear of administrative or criminal offences (BPHN, 2019).

Legal protection is also reflected in the requirements for border-crossing documents and customs documents. On the one hand, these requirements are indeed administrative in nature. On the other hand, however, these documents serve as instruments of legal recognition of the identity of traders and the legality of the goods they carry. With official documents, border communities gain certainty regarding their status when interacting with immigration, customs and security authorities. These documents also reduce the scope for arbitrary conduct during inspections, as the rights and obligations of citizens are set out in writing within standardised procedures (BPHN, 2019).

The next aspect of legal protection relates to restrictions on the types of goods and the value of transactions. In legal protection theory, restrictions imposed by the state are not always repressive in nature. Restrictions can also be protective in nature if they are intended to maintain a balance between the interests of citizens, national economic interests and the rule of law. In border trade, these restrictions are intended to ensure that cross-border facilities are used to meet the livelihood needs of border communities, rather than for large-scale trade activities that go beyond the socio-economic objectives of the regulations. Thus, these restrictive norms serve to protect small-scale communities from being marginalised by large-scale businesses with substantial capital that could monopolise border trade routes (Indonesia, 2019; Border Trade Agreement as summarised in the study on cross-border trade).

From the perspective of economic rights, Government Regulation No. 34 of 2019 provides a legal framework for border communities to obtain daily necessities and market certain products through mechanisms recognised by the state. This legal framework is crucial because border communities often live far from national distribution centres, meaning their economic access is closer to neighbouring countries. Therefore, legal protection in border trade must be understood as a form of the state's recognition of these distinctive geographical conditions. The state cannot impose a uniform legal approach on border communities as applied to non-border areas, as the socio-economic needs of border communities are indeed markedly different (Indonesia, 2019; Cross-Border Trade, 2019).

However, legal protection does not stop at the normative level. The greatest challenge actually lies in the implementation of regulations on the ground. Studies on the protection of rights and obligations in border areas show that, although the legal framework is sufficiently in place, its implementation still faces obstacles such as inter-agency coordination issues, resource constraints, differences in legal systems between countries, and the community's limited access to civil registration and public services. These conditions indicate that the existence of Government Regulation No. 34 of 2019

does not automatically guarantee effective legal protection unless it is accompanied by institutional capacity and a tangible state presence in border areas (Itasari, 2020).

Legal protection for border communities must also be understood from the perspective of citizens' constitutional rights. A study of the legal politics of border area management shows that state policy to date has tended to prioritise a security-based approach over a welfare-based one. Consequently, the fulfilment of the basic social rights of border residents has often not been given equal priority. In the context of border trade, the welfare-oriented approach must be strengthened, as border communities are not merely objects of state oversight, but legal subjects entitled to a decent standard of living, economic access and fair treatment before the law. Therefore, ideal legal protection must balance the state's supervisory functions with the concrete fulfilment of citizens' rights (Themistocleous et al., 2023).

In addition to preventive protection, border communities also require repressive legal protection. Repressive protection means the availability of mechanisms for addressing disputes, abuse of authority, procedural violations, or actions that harm communities in the conduct of cross-border trade. Although Government Regulation No. 34 of 2019 primarily governs administrative management, the existence of official procedures and legal documents actually provides a basis for communities to demand treatment in accordance with the law. In a state governed by the rule of law, every action taken by officials must be subject to scrutiny against applicable legal standards. Consequently, the clearer the prescribed procedures, the stronger the legal position of the community when faced with arbitrary actions or policy uncertainties on the ground (BPHN, 2019).

The role of local government is also crucial to the effectiveness of legal protection for border communities. In practice, local government is closest to the people and understands the real needs of border communities. The literature on border area management emphasises that local authorities have significant powers to provide protection for the territories and communities within their administrative jurisdiction. Consequently, legal protection in cross-border trade cannot rely solely on central government regulations. It must be supported by local policies, easily accessible administrative services, legal education, and oversight that does not place an excessive burden on small-scale communities (Fahriawan et al., 2025).

Ultimately, the legal protection for border communities under Government Regulation No. 34 of 2019 can be regarded as a progressive step, but it is not yet fully adequate when viewed in light of the real needs of communities on the ground. This regulation has provided a sufficiently important legal basis through the recognition of legal subjects, the establishment of official routes, the regulation of documents, and restrictions on transactions aimed at protecting local residents. However, the effectiveness of legal protection still depends on consistent implementation, inter-agency coordination, the strengthening of border infrastructure capacity, and a shift in

policy orientation from mere security measures towards the fulfilment of the rights and welfare of border communities. In other words, genuine legal protection will only be realised when the provisions of this Government Regulation are truly reflected in the daily lives of border communities.

Conclusion

Government Regulation No. 34 of 2019 on Border Trade is a legal instrument that provides a comprehensive regulatory framework for cross-border trade activities in Indonesia's border regions. This regulation has defined the legal entities entitled to engage in border trade, namely Indonesian citizens residing in areas directly bordering another country, and has specified the locations, administrative requirements, types of goods, and permitted transaction values. Through these provisions, Government Regulation No. 34 of 2019 provides legal certainty and protects border communities from criminalisation resulting from informal trade practices conducted without a clear legal basis.

In substance, Government Regulation No. 34 of 2019 has provided adequate preventive legal protection by affirming the rights of border communities to engage in trade, establishing official border crossing routes, and regulating immigration and customs documentation, which are prerequisites for the legality of economic activities. Legal protection is also reflected in restrictions on the types of goods and transaction values, which are designed to safeguard the economic interests of local communities and prevent monopolies by large businesses. However, the effectiveness of legal protection remains dependent on the implementation of regulations on the ground, which often faces challenges such as inter-agency coordination issues, resource constraints, and poor public access to public services and civil registration systems.

Consequently, to enhance the effectiveness of legal protection for border communities, a holistic and synergistic approach is required, involving the central government, local governments, and various relevant stakeholders. The government needs to strengthen inter-agency coordination, improve border infrastructure capacity, provide legal education to the public, and shift the policy focus from mere security to the fulfilment of constitutional rights and the welfare of border communities. In this way, Government Regulation No. 34 of 2019 will not merely be a written norm, but will truly be embedded in the lived experience of border communities and provide tangible, fair and sustainable legal protection.

References

- Eliyah, E., & Aslan, A. (2025). STAKE'S EVALUATION MODEL: METODE PENELITIAN. *Prosiding Seminar Nasional Indonesia*, 3(2), Article 2.
- Fahriawan, H., Hasibuan, I. H., & Rahmawati, A. (2025). Global Digital Trade Regulation: An International Law Perspective on Cross-Border Data Flows and Privacy

- Standards. *Hakim: Jurnal Ilmu Hukum Dan Sosial*, 3(3), 1291–1304. <https://doi.org/10.51903/qgrchv12>
- Itasari, E. R. (2020). Perlindungan Hukum Terhadap Hak Pendidik Di Wilayah Perbatasan Indonesia Dan Malaysia. *Media Komunikasi FPIPS*, 19(2), 84–93. <https://doi.org/10.23887/mkfis.v19i2.27919>
- LAY, J. R. B. B., & WAHYONO, H. (2018). DAMPAK PENGEMBANGAN POS LINTAS BATAS NEGARA (PLBN) MOTAAIN PADA KAWASAN PERBATASAN RI – RDTL DI KABUPATEN BELU PROVINSI NUSA TENGGARA TIMUR TERHADAP KEGIATAN PERDAGANGAN [Masters, UNIVERSITAS DIPONEGORO]. <https://eprints.undip.ac.id/71631/>
- Nento, R., Niode, B., & Waworundeng, W. (2024). Penyelundupan dan Perdagangan Barang Ilegal di Wilayah Perbatasan Indonesia-Filipina. *Intermestic: Journal of International Studies*, 9(1), 46–76. <https://doi.org/10.24198/intermestic.v9n1.2>
- Nuban, Y., Ballo, F. W., & Tiwu, M. I. H. (2024). Dampak Perdagangan Lintas Batas Terhadap Perekonomian Masyarakat Lokal di Wilayah Perbatasan Wini—Timor Leste. *Journal of Business, Finance, and Economics (JBFE)*, 5(2), 356–369. <https://doi.org/10.32585/jbfe.v5i2.5745>
- Patiung, M., & Taus, W. (2022). Dampak Perdagangan Lintas-Batas terhadap Perekonomian Masyarakat Lokal (Penelitian di Wilayah Perbatasan Ri-Timor Leste Districk Oecussie). *Jurnal Pendidikan dan Konseling*, 4(1), 94–102. <https://doi.org/10.31004/jpdk.v4i1.3448>
- Syandika, M. A., Rahmayanti, Harahap, I. A., Suhardiman, T. A., & Purba, J. (2025). Transformasi Hukum Ketenagakerjaan di Era Digital: Menjawab Tantangan Perlindungan Hak Pekerja di Era Ekonomi Digital. *EBJESMA: Journal of Law and Human Rights*, 1(1), 4–8.
- Themistocleous, M., Rupino da Cunha, P., Tabakis, E., & Papadaki, M. (2023). Towards cross-border CBDC interoperability: Insights from a multivocal literature review. *Journal of Enterprise Information Management*, 36(5), 1296–1318. <https://doi.org/10.1108/JEIM-11-2022-0411>
- Walliman, N., & Walliman, N. (2021). *Research Methods: The Basics* (3 ed.). Routledge. <https://doi.org/10.4324/9781003141693>
- Wijaya, I. A., & Purwadi, H. (2018). PEMBERIAN RESTITUSI SEBAGAI PERLINDUNGAN HUKUM KORBAN TINDAK PIDANA. *Jurnal Hukum Dan Pembangunan Ekonomi*, 6(2). <https://doi.org/10.20961/hpe.v6i2.17728>
- Badan Pelestarian Hukum Nasional. (2019). *PERATURAN PEMERINTAH NOMOR 34 TAHUN 2019 - JDIHN*.
- Badan Perbatasan Nasional. (2023). *Laporan tahunan pembangunan wilayah perbatasan Indonesia 2023*. Badan Perbatasan Nasional.
- Badan Perencanaan Pembangunan Nasional. (2023). *Rencana pembangunan jangka menengah nasional wilayah perbatasan 2020-2024*. Bappenas.
- BPHN. (2019). *Peraturan Pemerintah Nomor 34 Tahun 2019*.
- Indonesia. (2014). *Undang-Undang Nomor 7 Tahun 2014 tentang Perdagangan*. Lembaran Negara Republik Indonesia Tahun 2014 Nomor 70.
- Indonesia. (2019). *Peraturan Pemerintah Nomor 34 Tahun 2019 tentang Perdagangan Perbatasan*.

Kementerian Hukum dan Hak Asasi Manusia. (2022). *Evaluasi implementasi regulasi perdagangan perbatasan*. Kemenham.

Kementerian Perdagangan. (2019). *Peraturan Pemerintah Nomor 34 Tahun 2019 tentang Perdagangan Perbatasan*.

Undang-Undang Nomor 12 Tahun 2011 tentang Pembentukan Peraturan Perundang-undangan. *Lembaran Negara Republik Indonesia Tahun 2011 Nomor 82*.